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 TAGS: EINV, PEPR, AS, US
 SUBJ: MORE "EXPOSES" ON NUGAN HAND ✓

1. THE NUGAN HAND AFFAIR - WITH ALLEGATIONS OF DRUG DEALING, MONEY LAUNDERING, AND CIA INVOLVEMENT - CONTINUES TO RECEIVE HIGHLY VISIBLE COVERAGE IN THE AUSTRALIAN PRESS. THERE ARE ALSO INDICATIONS THAT NUGAN HAND INVESTIGATIONS IN NSW MAY BECOME ENMESHED IN LOCAL POLITICS. RECENT ITEMS OF INTEREST INCLUDE THE FOLLOWING.

2. THE WEEKLY NATIONAL TIMES (SEPT 12-18), IN A PAGE 3 ARTICLE BY MARIAN WILKINSON, LINKS FORMER CIA OFFICER TOM CLINES WITH NUGAN HAND. THE ARTICLE STATES THAT UNTIL 1978 CLINES WAS "DIRECTOR OF TRAINING IN CLANDESTINE SERVICES, THE 'DIRTY TRICKS' DEPARTMENT OF THE CIA." IT STATES THAT ACCORDING TO IMMIGRATION RECORDS CLINES VISITED AUSTRALIA SIX WEEKS AFTER NUGAN HAND WENT INTO LIQUIDATION AND LEFT TWO DAYS LATER WITH BERNIE HOUGHTON, A LEADING NUGAN HAND FIGURE. THE ARTICLE CITES THIS AS "YET ANOTHER INDICATION THAT NUGAN HAND, WITH ITS EX-US MILITARY AND INTELLIGENCE PERSONNEL, PLAYED A KEY ROLE IN THE TWILIGHT BUSINESS WORLD RUN BY FORMER AND CURRENT CIA OFFICERS - SOMETHING WHICH WILL CAUSE A GREAT DEAL OF ALARM IN CANBERRA." THE ARTICLE ALSO NOTED ALLEGATIONS OF CLINES INVOLVEMENT WITH RED WILSON, AND STATES THAT NUGAN HAND IS "IRREVOCABLY BEING DRAWN INTO" THE WILSON INVESTIGATION.

3. ANOTHER NATIONAL TIMES ARTICLE ON PAGE 3, FILED BY JOE TRENTO IN WASHINGTON, ALLEGES THAT THE DEFUNCT NUGAN HAND BANK "FUNNELLED MONEY TO CIA CONTRACT OPERATIVE AND MERCENARY MITCHELL WERBELL III." IT PROVIDES DETAILS OF A CHECK MADE OUT TO WERBELL FROM EARL YATES, FORMER PRESIDENT OF NUGAN HAND AND A RETIRED US ADMIRAL. "ACCORDING TO A FORMER DEPUTY DIRECTOR OF THE CIA WHO DID NOT WANT HIS NAME USED," THE ARTICLE STATES, "WERBELL CONDUCTED OPERATIONS FOR US INTELLIGENCE ON A REGULAR BASIS AND WE PAID HIM ON OCCASIONS THROUGH THE NUGAN HAND BANK."

4. INVESTIGATIONS OF NUGAN HAND WITHIN NEW SOUTH WALES ALSO CONTINUES TO MAKE HEADLINES, AND MAY BECOME MORE OF A POLITICAL ISSUE. ACCORDING TO A FRONT PAGE SYDNEY MORNING HEARLD STORY ON SEPTEMBER 13, NSW ATTORNEY GENERAL FRANK WALKER STATED THAT "PEOPLE ASSOCIATED WITH THE COLLAPSED NUGAN HAND BANK USED THE

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